



MICHIGAN
HOUSE OF REPRESENTATIVES
P.O. Box 30014
LANSING, MICHIGAN 48909-7514

**THE MINUTES OF THE HOUSE STANDING COMMITTEE
ON
FINANCIAL LIABILITY REFORM**

Wednesday, June 3, 2015

11:45 a.m.

Room 327 House Office Building

The House Standing Committee on Financial Liability Reform was called to order by **Representative Pat Somerville**, Chair.

MEMBERS PRESENT: Representatives Somerville, Leutheuser, Farrington, LaFontaine, Lyons, Poleski, Wittenberg, Faris and Chirkun.

MEMBERS ABSENT/EXCUSED: None.

Representative Farrington moved to adopt the minutes from the **May 20, 2015**, meeting. There being no objection, the motion prevailed by unanimous consent.

Chair Somerville laid **HB 4495** before the committee:

HB 4495 (Forlini) State financing and management; bonds; liens on certain tax pledges; modify.

TESTIMONY

Howard Ryan, Legislative Liaison, representing the Michigan Department of Treasury, testified in opposition to the bill. Questions and discussion followed.

Del Chenault, representing the MBIA, Inc. testified in support of the bill.

The following individuals submitted a card but did not wish to speak:

Deena Bosworth, representing the Michigan Association of Counties (MAC), supports the bill.

Patrick Harrington, representing Assured Guaranty, supports the bill.

Representative Leutheuser offered and moved to adopt the following amendments to **HB 4495**:

1. Amend page 4, line 18, after "securities." by inserting "**FOR MUNICIPAL SECURITIES THAT ARE AN UNLIMITED TAX PLEDGE BY THAT MUNICIPALITY DESCRIBED IN THE UNLIMITED TAX ELECTION ACT, 1979 PA 189, MCL 141.161 TO 141.168, THAT PORTION SET ASIDE SHALL BE HELD IN TRUST FOR THE OWNERS OF THE MUNICIPAL SECURITY. THE IMMEDIATELY PRECEDING SENTENCE DOES NOT ALTER ANY LEGAL OR EQUITABLE RIGHT OR REQUIREMENT THAT EXISTS TO IMPOSE A TRUST ON THAT PORTION OF TAX COLLECTIONS SET ASIDE WITH RESPECT TO ANY OTHER MUNICIPAL SECURITY.**".

2. Amend page 4, line 19, after "be" by striking out the balance of the line through

"AND" on line 20.

The motion prevailed by a vote of **8-0-1**.

Yeas: Representatives Somerville, Leutheuser, Farrington, LaFontaine, Lyons, Wittenburg, Faris and Chirkun,

Nays: None,

Pass: Representative Poleski.

Representative Farrington moved to report **HB 4495** with recommendation as substitute **(H-1)**.

The motion prevailed by a vote of **8-0-1**.

Yeas: Representatives Somerville, Leutheuser, Farrington, LaFontaine, Lyons, Wittenburg, Faris and Chirkun,

Nays: None,

Pass: Representative Poleski.

There being no further business to come before the committee, the Chair adjourned the meeting at 12:10 p.m.

Representative Pat Somerville, Chair
House Standing Committee on Financial Liability Reform
Malika Abdul-Basir
Committee Clerk
517-373-7256
25 Minutes